

Country Classic Dairies, Inc.
Proposed amendments to SB 286

EXHIBIT 7
DATE 3/24/09
SB 286

1. Page 1, line 12

Insert: Section 1. Section 2-15-3105, MCA, is amended to read:

2-15-3105. Board of milk control -- membership -- allocation -- quasi-judicial. (1) There is a board of milk control.

(2) The board consists of five members. A member may not be, nor have ever been, connected in any way with the production, processing, distribution, or wholesale or retail sale of milk or dairy products. A member may not have held an elective or appointive public office during the 2 years immediately preceding appointment, and a member may not hold a public office, either elective or appointive, during a term on the board. Not more than three members may be of the same political party.

(3) The board is allocated to the department of livestock for administrative purposes only as prescribed in 2-15-121.

(4) The board is designated as a quasi-judicial board for purposes of 2-15-124.

Renumber: subsequent sections

2. Page 9, line 21

Following: ~~enforced and~~

Insert: enforced and

3. Page 9, line 22

Strike: and enforced by the board

MINUTES

EXHIBIT 7
DATE 3/24/09
SB 286

MONTANA SENATE
54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON AGRICULTURE, LIVESTOCK & IRRIGATION

Call to Order: By CHAIRMAN CHUCK SWYSGOOD, on March 3, 1995, at
3:25 p.m.

ROLL CALL

Members Present:

Sen. Charles "Chuck" Swysgood, Chairman (R)
Sen. Gerry Devlin, Vice Chairman (R)
Sen. Thomas A. "Tom" Beck (R)
Sen. Don Hargrove (R)
Sen. Ric Holden (R)
Sen. Reiny Jabs (R)
Sen. Greg Jergeson (D)
Sen. Linda J. Nelson (D)
Sen. Bob Pipinich (D)

Members Excused: None

Members Absent: None

Staff Present: Doug Sternberg, Legislative Council
Jennifer Gaasch, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 280, HB 235, and HB 564
Executive Action: HB 386, HB 280, HB 564, and HB 235

{Tape: 1; Side: A}

— HEARING ON HB 280 —

Opening Statement by Sponsor:

REPRESENTATIVE JOE BARNETT, HD 32, Belgrade, presented HB 280.
REP. BARNETT stated HB 280 would move the Board of Milk Control
from the Department of Commerce to the Department of Livestock.

Proponents' Testimony:

Les Graham, representing the Montana Dairy Association, stated
the dairy industry was united in support of this issue. If SB
364 passes they would ask the Governor's office, on page 1, lines
14-20, to take out from the word "in addition" through "schools"
in line 20. They support HB 280.

Mark Bridges, representing the Board of Livestock, stated they were in support of HB 280. Since they already regulate the licensing of dairies and the manufacturing of dairy products, they should have control over the Board of Milk Control.

Ward Shanahan, representing Meadow Gold, said if they would make that correction upon the passage of SB 364, HB 280 had their full support.

Bob Buchini, representing Dairygold, stated they supported HB 280.

Maureen Cleary-Swinden, representing WIFE, stated they supported HB 280.

Larry Brown, representing the Agricultural Preservation Association, stated they support HB 280.

Opponents' Testimony:

None

Informational Testimony:

None

Questions From Committee Members and Responses:

SENATOR GREG JERGESON asked where in the bill is there any reference to item 1 in the Statement of Intent about lowering prices? **Les Graham** said the Statement of Intent was put in after the drafting process. That was done at a time when they were negotiating SB 116. They felt they wanted the first sentence in there to make sure it was the intent of the legislature that whatever came through, the Department of Livestock would continue to enforce it in a consistent manner. **Ward Shanahan** said the intent was because they were changing a board over to another department and they were not sure the rulemaking authority was there, which in turn requires a statement of intent.

SEN. JERGESON asked if **Ward Shanahan** would object if he was to offer an amendment to take out of the Statement of Intent that somehow lower milk prices are going to be the salvation of the dairy industry? **Ward Shanahan** noted that from line 14 "in addition" to the end of "that" on line 20 would have to be stricken from the bill if SB 364 passes. The first sentence was saying that the rules would be moving over to the Department of Livestock.

Closing by Sponsor:

REP. BARNETT said that it was the intent that all rules that were in the Department of Commerce would be transferred over to be

enforced by the Department of Livestock. He said that **SENATOR DON HARGROVE** would carry the bill on the Senate floor.

EXECUTIVE ACTION ON HB 386

Motion:

SENATOR GERRY DEVLIN MOVED TO CONCUR IN HB 386.

Discussion:

SENATOR REINY JABS said on page 2, line 30, it says "a satellite video livestock auction may transact business in the state only through a licensed livestock dealer or through the livestock market that is domiciled in the state". He asked what that meant.

CHAIRMAN SWYSGOOD replied he either had to use a licensed buyer or a licensed livestock auction.

SEN. JABS said that would not exclude Superior out of Denver then.

CHAIRMAN SWYSGOOD replied not if they go through one of the field agents licensed in Montana.

SEN. DEVLIN replied if they do not do the auction within the state, then they do not need anything. If they come to Montana and do the auction, then they have to set up the custodial account and meet the other requirements.

Vote:

The MOTION CARRIED UNANIMOUSLY.

SENATOR TOM BECK will carry HB 386.

— EXECUTIVE ACTION ON HB 280 —

Motion:

SEN. JERGESON MOVED an amendment on page 1, line 14 following "livestock" strike all of the language through line 20.

Discussion:

CHAIRMAN SWYSGOOD replied that would be striking the word "in addition to" on through "schools" on line 20.

SEN. JERGESON said he was offended when it says in the Statement of Intent that the legislature intends that producers ought to get lower prices for their product. It may result in lower prices, but it should not be in the Statement of Intent.

SEN. DEVLIN replied he did not see any reason for that being in there any way.

CHAIRMAN SWYSGOOD replied that by moving the rules from Commerce to Livestock allows them to do that without the legislature telling them to do it. They need to leave the first part of the Statement of Intent in the bill because they are moving rules.

Vote:

The MOTION CARRIED UNANIMOUSLY.

Motion:

SEN. JABS MOVED TO CONCUR IN HB 280 AS AMENDED.

Vote:

The MOTION CARRIED UNANIMOUSLY.

SENATOR DON HARGROVE will carry HB 280 on the Senate floor.

HEARING ON HB 235

Opening Statement by Sponsor:

REPRESENTATIVE EDWARD GRADY, HD 55, Canyon Creek, said the Auditor's office requested the Department of Agriculture to make some changes. He said HB 235 amends the Noxious Weed Trust Fund Act. The amendments delete a reference to the herbicide surcharge, which by present statute is terminated because the fund has reached its cap of \$2.5 million. Specific language is included so that interest earned would be deposited into that special revenue account. The administration costs can not exceed 12% of the total program costs. The remainder of the funds are for noxious weed grants and research projects. The amendments to the Fertilizer Act are based upon the auditor's recommendation that "clarification is needed to allow the department to charge anhydrous fees". The interest would be credited to that account. The amendment of the Alfalfa Seed Act clarifies that the interest received on the investments on the alfalfa seed assessment shall remain in that fund. Section 80-11-306 provides that the State of Montana is not liable for acts or omissions of the committee or any member, officer, agent, or employee thereof. That section bases the alfalfa seed committee on the same places as other government committees preventing undue exposure to those serving on the committee.

Proponents' Testimony:

Ralph Peck, representing the Department of Agriculture, said REP. GRADY explained the bill well. They urged the committee to pass HB 235.